

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB AGEA 06-01 Relating to Water Management Districts
SPONSOR(S): Agriculture & Environment Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:** SB 2484

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Agriculture & Environment Appropriations Committee		Dixon	Dixon
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

This bill states that the Legislature shall annually review the authorized millage rate for each water management district and annually set the amount authorized to be raised by each district from the taxes authorized by Chapter 373. However, the maximum millage rate for each district shall not exceed the rate currently in section 373.503(3), Florida Statutes. Further, the bill changes the fiscal year for the water management districts to July 1 through June 30 of each year.

This bill takes effect July 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: The Legislature will approve the water management districts' millage rates each year.

B. EFFECT OF PROPOSED CHANGES:

Article VII, Section 9(b) of the Florida Constitution provides that ad valorem taxes may be levied for water management purposes in amount no greater than .05 mill for the northwest portion of the state and no greater than 1.0 mill for the remainder of the state.

The legislature has created five water management districts¹. The legislature has declared that the millage authorized for water management purposes by the state constitution shall only be levied by the five water management districts². The districts may levy ad valorem taxes on property within the district solely for the purposes of water management as set forth the by the legislature³.

The legislature has presently authorized a millage rate for most districts that is less than the maximum allowed by the state constitution⁴. The maximum total millage rate for each district shall be:

1. Northwest Florida Water Management District: 0.05 mill.
2. Suwannee River Water Management District: 0.75 mill.
3. St. Johns River Water Management District: 0.6 mill.
4. Southwest Florida Water Management District: 1.0 mill.
5. South Florida Water Management District: 0.80 mill.

The water management districts are special taxing districts⁵. A special taxing district may not be created with general taxing authority, and may be empowered to levy only those taxes bearing a substantial relation to the special purpose of the taxing district. Crowder v. Phillips, 146 Fla. 440, 1 So. 2d 629 (1941); State ex rel. City of Gainesville v. St. Johns River Water Management Dist., 408 So. 2d 1067 (Fla. Dist. Ct. App. 1st Dist. 1982).

The legislature has determined that the taxes authorized for the water management districts to levy are in proportion to the benefits to be derived by the real estate within the districts⁶.

The bill provides that in order to insure that the taxes authorized by Chapter 373 continue to be in proportion to the benefits derived of real estate within the districts, the legislature shall annually review the authorized mileage rate for each district and annually set the amount authorized to be raised by each district from the taxes authorized by Chapter 373. However, the maximum millage rate for each district shall not exceed the rate currently in section 373.503(3), Florida Statutes. Further, the legislation provides for a change in the fiscal year for the water management districts from October 1 through September 30 to July 1 through June 30.

C. SECTION DIRECTORY:

Section 1. Amends section 373.503, Florida Statutes relating to water management districts millage rates.

¹ Section 373.069, Florida Statutes

² Section 373.503(2)(a), Florida Statutes

³ Section 373.503(3), Florida Statutes

⁴ Section 373.503(3), Florida Statutes

⁵ Section 189.403(6), Florida Statutes

⁶ Section 373.503(4), Florida Statutes

Section 2. Amends section 373.536, Florida Statutes relating to the fiscal year of the water management districts.

Section 3. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments

2. Expenditures:

See Fiscal Comments

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

This legislation provides for the Legislature to set the millage rates for the five water management districts. This could have the impact of lowering property taxes or raising property taxes within the water management districts.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

No rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

